



CAPITAL FUNDING ALLOCATION MANAGEMENT AND ASSURANCE PROCESS

SEPTEMBER 2022

Related Documents:

ESFA Academies Financial Handbook
DoWMAT Financial Handbook
ESFA Funding Agreement
DoWMAT Scheme of Delegated Authority
DoWMAT Risk Management Policy
DoWMAT Treasury Management and Investment Policy
DoWMAT Whistleblowing Policy
DoWMAT Competitive Tendering Policy
DoWMAT Anti-Fraud and Corruption Policy
DoWMAT Health and Safety at Work Policy
DoWMAT Reserves Policy

Our Vision

'To Love, To Learn, To Serve' sums up the DoWMAT's vision for those who come together to create the MAT, enabling all to flourish both as individuals and in community with each other; living life in all its fullness (John 10:10).

Our Values

To Love

The New Testament sums up the entire law as a call to “love your neighbour as yourself” (Galatians 5:14). The Bible teaches that we are only able to love because God first loved us (1 John 4:10). This love is expected to characterise the way in which the DoWMAT operates, makes decisions, builds relationships, and carries out its day-to-day business: each person putting the needs of others before their own, with a commitment to the flourishing of all. The exposition of love in 1 Corinthians 13 reminds us that love is patient, kind, forgiving, generous, humble, trusting, respectful, hopeful, resilient and enduring. Those who learn and work in the DoWMAT, and all who come into contact with it, can expect to experience that love in the way that they are treated.



To Learn



The DoWMAT is a Christian learning community that is committed to enabling all to live a life of freedom and transformation as a result of the hope and wisdom that learning brings. Learning is at the heart of the Church of England’s vision for and commitment to education. Growing in wisdom is celebrated in the Bible and all are exhorted to listen, to seek guidance, to acquire knowledge and to learn discretion (Proverbs 1: 1-6), largely through human relationships and interactions. Jesus’ teaching, as summed up in the Beatitudes (Matthew 5:3-10), describes human beings who are learning to live a life that is characterised by humility, compassion, mercy, righteousness and peace. The learning that takes place within the DoWMAT is expected to be recognisably rooted in these godly characteristics and focused upon enabling the holistic development of people who are made in the image of God.

To Serve

Service and servant leadership, was a striking feature of the way in which Jesus lived his life. The example he gave to his disciples in washing their feet (John 13:1-17) provides us with a role model for the way in which we should seek to live in community with others. Putting the needs of others before our own, supporting people in their growth and development as holistic human beings, enabling people’s gifts and talents to come to the fore as a result of our service to them are all defining characteristics of the way in which the DoWMAT operates. In serving others and meeting their needs through generosity of spirit, we manifest God’s grace and love for others (1 Peter 4:8-11).



These core values underpin all aspects of our Trust as we strive to make a positive difference to the lives of all DoWMAT pupils whilst they are at school and in later life. Through these values, we can be sure our community is one of hope; a place of transformation and trust, where all are treated with respect and dignity.

OUTSTANDING PROFESSIONALS | COLLABORATIVE PARTNERSHIPS | STRONG SYSTEMS | CONFIDENT LEARNERS

INTRODUCTION

The Diocese of Worcester Multi Academy Trust's Director of Operations (DO) centrally allocates and manages the delivery of all Capital Works which are funded through delegated funds, capital reserves, (DFC) capital funded projects, Section 106, other capital streams or a mixture of funding streams, in conjunction the Director of Finance (DF) and agreement of the Finance, Audit and Operations committee.

To ensure capital funds are directed to the highest areas of priority and address as many issues as possible, a formulaic funding allocation process has been developed.

The priorities underlying our approach to the management of capital funding can be itemised, as follows:

- Ensuring funding is targeted to address the highest priority condition issues within the estate
- Maximise opportunities across all available funding streams to provide outstanding learning environments for all pupils and staff in the Trust's care.
- Ensure all capital works completed provide value for money, secure the long-term infrastructure and allow for future development of the estate.
- Ensuring funding is available to address arising matters of Health & Safety and Well-being.
- Utilising standard design to group projects where possible to maximise economies of scale.

Examples of capital expenditure may include:

- ICT hardware replacement
- Furniture and equipment replacement
- Building adaptations and upgrades

The types of capital funding available to DoWMAT Schools are, as follows;

Devolved Formula Capital (DFC)

Devolved Formula Capital (DFC) remains based on a per academy basis. Each academy receives a lump sum and a variable amount based on their student numbers multiplied by the appropriate rate per student.

Conditions Improvement Fund

DoWMAT is currently able to bid for funding through the CIF to address building improvement need.

CIF's core priority is to support condition projects and the focus of the fund is to keep school and college buildings safe and in good working order. Most CIF funding aims to address building issues with significant consequences that revenue or Devolved Formula Capital (DFC) funding cannot meet. These include issues with poor building condition, building compliance, energy efficiency or health and safety.

School Condition Allocation (SCA) (Not currently available for DoWMAT academies)

Multi Academy Trusts (MATs) with at least 5 academies with more than 3,000 students, receive a School Condition Allocation (SCA) to deploy strategically across their estate to address their priority maintenance needs. Investment will be prioritised on keeping the buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency, and health and safety issues.

School Condition Allocations will consider the information that has been collected through the LCT Condition Survey programme. The survey data will demonstrate that the condition need correlates with student capacity numbers. It also gives a representation of the size and complexity of the estate that requires managing on an ongoing basis.

DoWMAT Reserves

The Trust aims to ensure that a contingency reserve of approximately 12% of the total annual income is kept, however, this can be reviewed and amended at the Trustees discretion throughout the financial year dependant on financial need within the Trust.

DoWMAT academies can apply for funding from the Trust reserves for any significant capital funding that is required for urgent unforeseen works e.g. unserviceable heating boiler replacement or for special projects that will address one or more of our Trust Capital expenditure priorities.

Other Capital Grants

On occasion, other funding streams may become available for Trust capital funding, such as Section 106 Funding or National Lottery grants.

Process for applying for Capital funding

To account for capital changes correctly, all planned capital expenditure greater than £1,000 should be captured on a 'Capital Expenditure Request Form' (see Appendix 1) and submitted to the DO prior to any expenditure. On receipt of a completed form, the DO will consult with the DF and then authorise one of the following actions:

1. Request further information or contest the request
2. Agree in principle and propose the type of capital funding which is most appropriate
3. Defer to future year on capital strategy plan

There will be occasions where capital expenditure is funded from Revenue Income and Expenditure. In these instances, the expenditure will be capitalised and recorded on the balance sheet and the academy balances adjusted accordingly.

Prioritising Projects / Annual Cycle

Month	Process
April/May	Academy budgeting meetings to discuss revenue projects / DFC capital projects to be included in the budget forecast for the following academic year.
August / September	Review of larger projects completed over previous academic year. Commencement of Conditions / annual survey cycles. <ul style="list-style-type: none"> • Condition surveys reviewed annually and resurveyed every 3 years. • H&S audit carried out annually. • DO to arrange for asbestos surveys if required
By end October	All requests for Capital Expenditure to be received by the DO
November	DO to complete analysis of all Capital requests, visiting sites, arranging external advice and using the Assessment Criteria to score relevant bids.
December	DO and DF to meet early December to prioritise outcomes into: <ul style="list-style-type: none"> • Immediate (this year) – quotes will be sought for these following the meeting. • Required (next year) • Non-urgent (longer term)

	A summary report of decisions will be issued to Finance, Audit and Operations Committee, for information.
January	Quotes/Tenders received for immediate projects and agreed with the CEO and DO.
February onwards	Work on agreed Capital projects commences

Appeals

The effective management of our Capital funds is key to the further development of individual academies and the whole organisation, the Trust will aim to ensure that related decisions are fair and fully transparent. The appeals process has two stages: Firstly, to its Finance, Audit and Operations Committee, then a final appeal to the Trust Board.

APPENDIX A – SPECIAL PROJECTS (CAPITAL AND REVENUE projects over £1000)

Deadline: End November

Please attach any photos, reports or other documents which may support your application.

School				
Project name				
PROJECT SCORE	Each element below is scored, need has 0 = poor bid, high score = strong bid, maximum score available = 30			
Need <i>Circle the need that applies to this project</i>	Education	Health & Safety	Wellbeing	Supporting expansion of onsite provision
Need score Maximum 10				
Affordability score Maximum 5				
Environmental sustainability score Maximum 5				
Financial payback score Maximum 5				
Values & visions score Maximum 5				
TOTAL SCORE				

Project brief	<i>Please give a brief description (no more than 200 words)</i>		
Impact	<i>Please state the intended impact (no more than 100 words)</i>		
Target date and duration	Proposed start		
	Proposed completion		
	Urgency	<i>Please state the requirement for this project and the impact of any delay in completing</i>	
Estimated cost	<i>Estimate only, quotations are not required. If the cost is subject to certain conditions/outcomes then these should be stated</i>		
Funding	<i>What are the funding considerations for this project? Is the school able to generate match funding? Please contact either Director or Head of Finance for support with this</i>		
Additional information	<i>Please include any other information to support the case for this project</i>		
Submitted by		Date	